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July 1966

What Happened at the Vienna Communist Conference

On 9, 10, and 11 May, representatives from all the western communist parties met in Vienna. Absolute secrecy was supposed to enshroud their deliberations whose goal was the planning of measures incident to two essential facts which, henceforth, will influence international politics: aggravation of the war in Vietnam and its eventual escalation; the rupture between France and NATO, and the Atlantic Pact crisis. Soviet representatives who came to instruct communist leaders of Western Europe on the development of these two problems offered the following analysis:

Development of the war in Vietnam imposes on all communist parties a substantial intensification of anti-American actions which is an absolute prerequisite of all the Third World's revolutionary organizations (particularly in Latin America); and it is an imperative condition for the re-establishment of unity in the communist movement (implying: under the leadership of Soviet organizations) even though China does not stop launching campaigns against the "weakness" of Moscow and of the pro-Soviet communists with respect to American imperialism.

But what objectives have been set for the planned western communist campaign and how effective could they be? To this dual question, the Soviets reply that the purpose of the communist action in Europe would be twofold: 1) to deepen, as much as possible, the divergences between the United States and the European countries and to create, between them, an ever-widening gulf, this, by mobilizing public opinion. 2) to cause this action to lead to a new appraisal of all American positions in Europe, which have already been shaken by the break between France and NATO.

The Soviets have insisted on the chances of success in the anti-American campaign. The French argument that the European countries will gradually be invited by the United States to take sides with it in Vietnam is capable of firing public opinion; in several countries -- England and Italy, for example -- many socialists are hostile to the Asian policy of America; the Scandinavians obviously wish to adopt a position closely allied to that of France with regard to NATO; finally, with respect to the Atlantic organization, it is not conceivable that the western communists appear to have a more moderate attitude than that of General de Gaulle.

Le Figaro, Paris  
8 June 1966

# MOSCOU PRÉPARE la relève européenne

par David ROUSSET

**L**ES communistes de l'Allemagne de l'Est prennent l'initiative d'un rapprochement avec la social-démocratie et, malgré les difficultés extrêmes, de nombreux obstacles, des résistances indéniables dans leur propre appareil, persistent ; les communistes français travaillent avec obstination à intégrer leur parti dans une sorte de confédération des mouvements de gauche et, malgré toutes les rebuffades, n'ont de cesse que des rapports plus étroits ne soient établis avec la S.F.I.O. et pour y parvenir, encore qu'embarassés par l'ankylose de leurs cadres, font ou s'apprentent à faire des concessions non seulement verbales mais pratiques ; les communistes italiens, dans leur grande majorité, recherchent vraiment la constitution d'un parti unique intégrant toutes les tendances socialistes ou réformistes chrétiennes ou non, où leur propre organisation se dissoudrait. Ainsi, dans tous les secteurs décisifs de l'Europe occidentale, les partis communistes poursuivent un vaste effort d'unité. Un tel phénomène, et d'une si grande ampleur, suppose une stratégie commune délibérée et concertée. Je soutiens que se révèle là un tournant d'une grande importance de la politique soviétique en Europe.

Certes, la manœuvre ne se déploie pas avec la rigueur d'une opération militaire. Les Italiens ont ouvert la voie et jusqu'ici ce sont eux qui ont avancé le plus loin. Les Français se sont d'abord montrés hostiles, puis réticents. Ils sont aujourd'hui engagés. Les communistes allemands, après un départ tardif, d'ailleurs

précédé d'une longue période de contacts discrets en apparence dispersés, aujourd'hui progressent vite. Dans deux cas, l'intervention soviétique est notoire. Dans le cas français : le principe du tournant actuel a été exposé lors des entretiens Khrouchtchev-Guy Mollet à Moscou. Dans le cas allemand : la pression persistante du Kremlin sur Ulbricht a déterminé l'ouverture des négociations et garantit leurs poursuites.

Le tournant soviétique exprime une évaluation nouvelle de la conjoncture européenne, du rôle des partis, de la crise interne du mouvement communiste mondial. L'objectif central est évident. Il s'agit de surmonter le traumatisme de Prague. Or les dirigeants savent que le seul moyen de liquider entièrement ce passif consiste en fait à dissoudre les partis communistes, et ils paraissent prêts, dans certaines circonstances, à aller jusqu'à là. Moscou prépare la relève en Europe d'une démocratie chrétienne dont les cercles dirigeants agissent à l'intérieur de la stratégie de Washington par une gauche chrétienne et non chrétienne neutraliste en politique étrangère ou du moins favorable à une troisième force, à une Europe européenne. En Italie, il s'agit de gagner à cette opération non seulement les socialistes nennistes mais plus encore la gauche de la démocratie chrétienne et de parvenir, dans cette perspective, à un accord politique avec le Vatican. La question du Vatican est traitée au niveau de l'ensemble mondial de ses intérêts.

En Allemagne, il s'agit, par un accord préalable avec la social-démocratie, de se servir

comme levier de la profonde volonté d'unité du peuple allemand pour porter au pouvoir les socialistes qui apparaîtront dans ce contexte comme capables, et seuls capables, de faire maintenant cette unité. Et il est certain que devant un triomphe électoral des socialistes, soutenus par les communistes sur un pareil programme, les grandes puissances se trouveraient liées. En France, le jeu est plus compliqué. Il s'agit à la fois d'appuyer la politique extérieure du général de Gaulle et de préparer la succession.

Des préjugés, des traditions et des réalités empêchent la direction communiste de préparer cette succession avec l'U.N.R.-U.D.T. Encore que le parti communiste français puisse envisager des accords circonstanciés avec l'aile gauche du gaullisme, comme le parti communiste italien le fait, ou voudrait le faire, avec la gauche de la démocratie chrétienne. Toutefois, les positions ne sont pas entièrement comparables et le rapprochement s'opère donc d'abord avec les syndicats chrétiens, mais l'expérience en cours comporte une ouverture plus large. Il faut donc à la fois, pour les communistes, soutenir le général de Gaulle et poursuivre cependant la critique du régime nécessaire au regroupement d'une gauche dont la partie atlantique deviendrait minoritaire.

Une manœuvre de cette envergure ne s'oppose pas à l'autonomie des partis communistes à l'égard de Moscou. Bien au contraire. L'accord entre les partis communistes européens pris dans leur masse et Moscou sur la politique

étrangère de l'Etat soviétique demeure fondamental. Cet accord leur permet donc de se concerter et d'agir en commun tout en développant une liberté d'action grandissante dans chaque domaine national. Du point de vue de Moscou, les partis ont cessé d'être les instruments privilégiés de sa stratégie mondiale. La raison principale en est que le monde occidental ne connaît plus les violentes crises sociales qui se sont succédé entre les deux grandes guerres. Non seulement en Europe mais à l'échelle planétaire les relations d'Etat à Etat, c'est-à-dire les relations de puissance, constituent le support principal de la politique soviétique. Dans cette conjoncture, les partis sont devenus d'autant plus encombrants que Moscou ne détient plus les moyens de les contraindre. Isolés, les partis ne servent pas à grand-chose. Les communistes seraient autrement plus efficaces comme tendances à l'intérieur d'un puissant mouvement unitaire. Ainsi, dans cette entreprise audacieuse, les intérêts soviétiques se combinent parfaitement avec les intérêts nationaux de chaque parti. Ne se trouvent mis en question que certains intérêts privés des appareils. Pour le développement de cette stratégie nouvelle, un préalable a été levé par l'attitude que les partis communistes européens ont récemment adoptée à l'égard du Marché commun, reconversion que les communistes italiens ont activement préparée.

Les Soviétiques, par cette opération en profondeur et à long terme, cherchent à promouvoir en Europe un statut de sécurité politique et militaire qui leur permettrait de développer complètement, et notamment avec l'Allemagne, leur programme de coopération économique dont ils ont un besoin vital et leur donnerait une grande liberté et une grande force dans la négociation mondiale avec les Etats-Unis. C'est là une dimension nouvelle dont il faut tenir le plus grand compte en politique intérieure.

July 1966

After the Conference of the Communist Parties  
of the Capitalist Countries of Europe

by Jacques Denis

The Conference of the Communist Parties of the Capitalist Countries of Europe, which was held in Vienna from 9 to 11 May, follows tradition. Other international conferences which brought together representatives of these same parties took place in 1959 in Rome and in June a year ago in Brussels. The agenda of the Conference Vienna was set by the parties involved: "The experiences and the current possibilities to unite the workers' and democratic forces in the struggle against the monopolies, and for democracy and social progress."

This particularly current theme gave rise to a broad exchange of viewpoints. The communique emphasized that the conference took place in a warm and brotherly atmosphere. It attested to the existence of positive and promising phenomena in the various countries and under varying conditions.

One finds oneself in the presence of a certain unitary thrust. This results from the experience gained by the masses, experience which the Communist Parties with their means help to render conscious in showing the roots of the destiny made for the working class and for other non-monopolistic strata. Some favorable conditions come to light with the awareness of the numerous milieus faced with the problems which derived from the crises of the system of pacts and treaties which imperialism has set up for the cold war, whether it concerns NATO or "la petite Europe," and also faced with the veritable invasion which the American monopolies are increasingly developing in our country's economy.

In the various discussions, the delegation from the French Communist Party was able to show how much our own experience verifies the tendency to "new relations and united actions between communist and socialist, between the anti-monopolist forces, especially on the trade union level" (which the very recent social reality confirmed brilliantly) much like "the announcement of an understanding which is asserting itself among the important sectors of the Christian world."

In the same way, when "the Conference emphasizes the necessity of bringing together all the peaceful forces against the threats to world peace caused by American aggression in Vietnam and the requirements of German militarism," how can one not remember these stages in the struggle at the sides of the fraternal Vietnamese people: the March days when the Peace Movement took the 20 socialist federations, to appeal to the CGT (General Confederation of Labor) on 1 May, when the workers' demands were

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coupled with the watch words of solidarity in Vietnam, and, since the Conference of Vienna, the broad unitary demonstrations by the Communist Youth from 13 to 15 May, without forgetting the preparation of the gathering summoned by the French Peace Movement for 19 June. The discussions during the Conference emphasized the national responsibilities of the Communist Parties to fight against monopolies and reaction.

At the same time, they confirmed the solidarity which results in the fact that an important success achieved in one country is a stimulant for the workers in our countries. This is illustrated, among other examples, by two recent events mentioned during the Conference. One was the victory of the workers in the Herstal factory in Belgium in their magnificent action for equal salary for equal work. The second example, announced by the delegation of the Greek Party, was the liberation of the political prisoners who were incarcerated for many years. In the same way, the big successes of the Soviet Union (shown during the Twenty-third Congress) and of the other socialist countries are also stimulants for our struggles.

More and more frequently life forces the retreat, indeed the fall, of the specialities of the past. Some comrades made the observation that the Communist Party of a capitalist country of Europe being the authentically national expression of a revolutionary movement which plays a major role in our epoch, regardless of the relationships of the internal forces, it appears as a necessary interlocutor for real discussion and for effective action on the problems of our time.

And this makes it all the more important that the Communist Parties present constructive solutions to these problems, true alternatives to the policies of the monopolists and to the impasses to which the "Atlantism" are leading. It was in this spirit that the Conference especially emphasized the possibility of true economic cooperation (illustrated by the accords such as those signed between France and the Soviet Union for the SECAM process of color television and on research into the peaceful uses of atomic energy, the Franco-British agreement on the civilian airplane Concorde, and the agreements between the Soviet Union and Italy and perhaps with other countries on automobile manufacture) as well as the establishment of new relationships between the countries of our continent, with a system of European security.

These are only a few of the reflections inspired by this meeting. That is to say how positive such conferences are. This also goes for the other forms of relationships such as the recent meeting of the French and Italian Parties at San Remo, those which took place between our Cuban comrades, our friends in the UAR and many others. These initiatives cannot but contribute to the unity of the international communist movement and to

the union of all the anti-imperialist forces. Just as Waldeck Rochet emphasized in the account of the Twenty-third Congress of the Communist Party of the Soviet Union, in recalling the Conferences of 1957 and 1960: "We attach great importance to the strengthening of all forms of liaison among the various parties and to the meetings which can allow us to study the new problems which arise and consequently to develop common action. We hope that these meetings and these exchanges of viewpoints will help to ripen the favorable conditions for holding a new Conference of Parties."

July 1966

Cuban Sugar Crop Failure Poses Major Problem

Cuba's 1966 sugar harvest is now in and the results pose a rather dismal outlook for the nation. The crop was supposed to reach 6.5 million tons this year, according to the hypothetical plan rather arbitrarily decreed by Castro in May of 1965. But the total was only 4.5 million tons. Next year the plan calls for 7 million, and on up to 10 million tons by 1970. That goal, never given much credence by anyone but Castro and his cohorts, now seems ridiculously out of line.

Apparently even Castro did not realize how far below plan this year's crop would be until half way through the harvest, which began last December. On the 13th of March he boasted that "incredibly," despite the drought from which the country had been suffering, "we will scarcely register a drop in our sugar cane production." Finally, on 6 April, he publicly admitted that "the harvest will barely reach 5 million tons -- and I mean barely." On May Day of this year Castro conceded that the crop would amount to "less than 5 million tons," without venturing any specific estimate. However, not even the most pessimistic observers expected a figure as low as 4.5, and the repercussions of this bleak result will undoubtedly have their effect on Cuba's relations with both the Communist bloc and the Free World ... and it will be negative.

The overriding importance of sugar for the Cuban economy stems from the simple fact that about 85 per cent of Cuba's foreign trade comes from the sale of sugar. And foreign exchange is essential since the country produces so little else and must buy all its major supplies abroad, from raw materials to equipment for industrial development to basic consumer goods.

For a time Cuba attempted to free itself from this dependency on a one crop economy, which was viewed as a legacy of capitalist colonial exploitation. The original intent was not so much to reduce sugar production as it was to diversify the economy by developing other agricultural produce and especially by a forced-draft industrialization in the pattern of the Soviet Union. But in fact sugar production fell off drastically and little industrialization was achieved. The abrupt severance of Cuba's economic ties to the United States and its reorientation to the Soviet bloc -- which was having enough economic troubles of its own -- caused disruptions which are still far from overcome.

At the time of Fidel Castro's visit to Moscow in January 1964, Khrushchev effectively put an end to Cuba's grandiose industrialization plans. Announcing an "international Socialist division of labor," he decreed that Cuba's role should be that of producer of sugar for the Communist bloc, which she could then exchange for industrial goods produced

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by more developed Communist states. The colonial nature of the relationship seemed to be evident to everybody but Castro. The arrangement was formalized in a trade agreement under which the Soviets are to buy increasing amounts of Cuban sugar -- 3 million tons this year, 4 million in 1967, and 5 million tons a year thereafter through 1970. The Soviets agreed to pay six cents a pound for these purchases -- a sum which was slightly below world market prices at that time, but which is now well above the free market price of about 2 cents per pound. The difference is deceptive, however, since the Soviets and satellites are able to inflate the cost of the hard goods they deliver to Cuba in payment.

"Che" Guevara, then still head of Cuban agricultural production, was quick to follow the Soviet lead. He wrote in International Affairs, October 1964:

Instead of embarking on diversification by degrees, we attempted too much at once. The sugar cane areas were reduced and the land thus made available was used for cultivation of new crops. But this meant a general decline in agricultural production. The entire economic history of Cuba had demonstrated that no other agricultural activity would give such returns as those yielded by the cultivation of the sugar cane.

And so Cuba went all-out to produce sugar. Soon the Communist newspapers were filled with stories of happy throngs of "volunteers" surging into the countryside to cut cane. There were also not-so-happy throngs of army draftees sent to the canefields for a monthly pay of a few dollars. Each succeeding year the migration to the countryside at harvest time has become less voluntary and more compulsory. This year a larger proportion than ever of the country's labor force has been sent to the cane fields. In addition to the professional cane cutters, and the thousands of soldiers sent by the armed forces more than 71,000 workers were recruited by the trade unions, and some 100,000 students were taken from the schools for a month and a half. Whereas last year a special "Playa Giron Week" was created for a massive cane cutting effort, this year it was renamed "Playa Giron Fortnight." Government ministries and factories were shut down, with only skeleton staffs to carry on essential services, and some 300,000 people trooped to the fields from April 3 to 17. Even with this effort, so much cane remained to be cut at the end of the period that many of the extra hands were kept in the canefields until the end of the month.

A new source of labor has recently been created by the Castro regime: the Military Units for Aiding Production (Unidades Militares de Ayuda a la Produccion - UMAP). Essentially these are battalions of men who are, variously, devoutly religious, homosexuals, drug addicts, thieves, or who have expressed a desire to leave the country. They have been conscripted in part to remove their nefarious influence on the Cuban society, and in part to provide groups of men to do agricultural work without pay. Such establishments in the Soviet Union were correctly called slave labor camps. It is not known how many persons have been enrolled in these groups to date.



The results of this frenetic drive have been, at best, mediocre, as can be seen from the statistics on total Cuban sugar production before and after the revolution of 1958:

1951. . . . 5.8 million tons	1959. . . . 6.0 million tons
1952. . . . 7.2	1960. . . . 5.9
1953. . . . 5.2	1961. . . . 6.8
1954. . . . 4.9	1962. . . . 4.8
1955. . . . 4.5	1963. . . . 3.8
1956. . . . 4.7	1964. . . . 4.4
1957. . . . 5.7	1965. . . . 6.0
1958. . . . 5.8	1966. . . . 4.5

Not only has sugar production failed to increase at the planned rate, but sugar prices have radically fallen in the past two years and are now at their lowest point in history - less than 2 cents per pound. From 1959 to 1962 they averaged about 3 cents per pound; in 1963 sugar went up to 8.3 cents, in 1964 to 5.7 cents and fell off sharply thereafter. As a consequence, Castro now must sell more sugar than ever before to earn a dollar of hard currency.

The reasons for this year's poor crop are numerous. First of all it must be recognized that the decisive factor was bad weather: drought last year when the crop was growing, rains this year when the harvesting was going on. The weather is a fortuitous thing over which Castro has no control. However there are many other factors which serve to restrict production. To begin with, last year's good crop resulted in part from cutting young cane which should have been left to grow for another year. After the harvest, insufficient new cane was planted and the established cane was not adequately weeded. Fertilizer was in short supply last year, in comparison with 1964, and this had an effect on the crop. The cane was cut this year, as every year since the revolution, largely by amateur cane cutters who, by improper cutting, can seriously damage the cane roots. The much heralded Soviet cane combines, or cane-cutters, have been generally unsuccessful; they require absolutely flat land and perform poorly if the cane stalks have been blown down by the winds, which is a frequent condition in the Cuban fields. Furthermore, the combines tend to pick up a great deal of dirt, stones and sticks along with the cane, and this matter causes rapid wear of the grinding machinery in the sugar mills. The transportation of cane from the fields is a critical problem, since it should be ground within 48 hours. The importation of locomotives from Europe and thousands of trucks from the Communist bloc has alleviated the most serious transportation problems. Even so, Fidel Castro's elder brother, Ramon, admitted that only 75 percent of the trucks in Oriente province, where he is an agricultural official, were functioning in mid-April, according to an article in the newspaper Granma on 16 April. Refugees from Cuba arriving in Miami tell of further troubles with railroad ties, which are now largely imported from the Soviet Union; they are of soft pine and the rails sink into them, particularly on curves; they also shrink in the hot Cuban sun and the spikes holding down the rails then come loose and must be incessantly tightened.

Cuba's sugar grinding mills were already old when Castro came to power and can now only be described as decrepit. Two of the greatest shortages in Cuba are pipe and tubing for the mills and oxygen and acetylene to weld broken parts together. Competent technicians to run the mills are also getting scarce, largely due to the exodus from Cuba, with the result that the quality of sugar produced is well below pre-revolutionary standards -- resulting in lower prices on world markets. Once milled the sugar is sent to warehouses for storage before being shipped overseas. Even the warehouses are deteriorating now, and the sugar is often wetted and caked by rain water. The Cuban ships carrying sugar overseas suffer from age and poor maintenance, like everything else; according to one Cuban ship captain who fled Castro's control, rust in the ships' holds often contaminates the bulk sugar; since contamination on the order of a few hundredths of a percent causes a marked reduction in price, this again cuts into Cuba's profits from sugar sales. The above-cited factors have a cumulative effect with a very measureable impact in reducing Cuba's sugar production.

Cuba's production of 4.5 million tons this year leaves a considerable gap between her commitments and her supplies. She is supposed to sell 3,000,000 tons to the USSR, 600,000 tons to Communist China, and 600,000 tons to the Eastern European Communist countries. In the Free World, Cuba has commitments to sell 300,000 to 350,000 tons to Japan, about 150,000 tons to Spain, and some 270,000 tons to Morocco. Adding these amounts to the 400,000 tons which the Cubans will consume themselves, it is evident that she requires at least 5,320,000 tons, or 820,000 tons more than she produced -- assuming there will be no loss in the several steps before it is marketed. Part of this can be covered by an estimated 700,000 tons of sugar left over from last year. Therefore, it is evident that Castro will have to ask Moscow to defer delivery on a substantial part (perhaps as much as a third) of the sugar promised for delivery this year, as he has had to do three times in recent years - in 1962, 1963, and 1964. While this will serve to relieve the immediate problem, it will not help pay off Cuba's already staggering debt to the Soviet Union.

In any event, the amount of sugar available to sell on the free world market for hard currency will be severely restricted and may not bring in more than \$100 million, as compared with approximately \$500 million in previous years. This is a grave problem for Cuba, which is chronically short of foreign currency. Her reserves are reported this year to be down to \$25 to \$35 million, as compared with \$100 million two years ago. But Cuba now needs hard currency to buy food as well as industrial supplies and other goods. China's reduction in rice sales to Cuba leaves a deficit of 100,000 tons. The rice ration has now been reduced to 3 pounds per month, vs. a pre-revolutionary figure of 10 pounds; rice is currently in short supply in the Communist bloc and Cuba would therefore have to buy it in the Free World if it desires to eat rice. The substitute has been grain, principally wheat, supplied by the Soviet Union, including 35 million dollars' worth of Canadian wheat bought with scarce Soviet hard-currency reserves.

Added to Cuba's woes is the fact that there is strong competition in the world sugar market. The erratic record of Cuban sugar production its dependency on vagaries of weather and Soviet forbearance, make it an uncertain supplier. Countries like Japan, which is Cuba's main source of hard currency, are carefully looking into other sources of sugar. Moreover, Japan's trade with Cuba has caused great resentment in Latin America where the income earned by Cuba is used to foster subversion and revolution; and yet Japan's principal foreign investments are in Latin America.

Another consideration involved in Cuba's precarious economic situation is the effect it will have on Cuba's status as a credit risk for foreign loans. She is known to have been actively engaged in negotiations for a complete sugar grinding mill to be purchased in France. The credit would have been guaranteed by the French government. Under current circumstances, however, the security of such a loan cannot be considered to be very high.

In the meantime Castro and his appointed officials are predicting great things for next year. On May Day he said: "In the coming year, if we struggle, we will struggle to achieve the highest figure in our history. We fight, we exert ourselves for this, and it will be, beyond any doubt, a great harvest. We will not take all the credit. We still do not control the rains.... Part of that victory will be because of the best ... rainfall year, which we are now experiencing."

But Castro's jubilation was premature. By mid-June the continuing rainfall had become more a menace than a boon. On 13 June an urgent meeting of government ministers and party leaders was held under the direction of President Osvaldo Dorticos. Another general agricultural mobilization of volunteer workers was summoned to the countryside, this time to be sent into fields in a crash program to speed up the planting of new cane and the weeding of cane fields which already fallen seriously behind. Havana radio, in reporting this mobilization, stated that "These measures are of great importance, and it can be said that they are the fundamental steps to insure the future success of the 1967 sugarcane crop, to reach the goal established by our people of making the coming sugarcane harvest the largest in our history and to fulfill all agricultural-livestock goals." Such declamations have been heard before. Their credence has been destroyed by repeated failures.

Translation of unsigned article in  
Kansan Uutiset, Helsinki, 18 May 1966

### The Vienna Conference

The conference held 9-11 May in Vienna by the Communist Parties of European capitalist countries has aroused widespread attention in all Europe. Some bourgeois newspapers (also in Finland) have already, either because of wishful thinking or because of a desire for sensation, pictured the conference as some sort of epoch-making event of the international communist movement. It is being pointed out, among others, that socialist countries were not represented at the conference and it was claimed that this expressed "a tendency of independence from the Union of Soviet Socialist Republics."

Such concepts are entirely wrong. Hardly anybody can have reason to accuse the USSR of having in any way limited the independence of the communist parties of the capitalist countries. The conference is rather evidence of the communist party having thus far functioned entirely independently. That the communist parties of certain European capitalist countries have not yet been allowed to operate freely and their representatives to participate at such conferences only secretly and under the protection of assumed names, is due solely to the communist administration of that particular country and is by no means caused by action of the USSR.

The Vienna conference has also prolonged the party's maintaining normal connections, which have only grown from year to year and received new forms. Two parties, i.e., the communist parties of Finland and the USSR, have had conferences at intervals. At the end of last year the communist parties of the northern countries had a common seminar in Finland. When the communist parties of the European capitalist countries meet through representatives to hold a common discussion, there is nothing sensational about it, which is also apparent from the meeting's unanimous approval of the communique.

At this time there are many questions, the full clarification of which by the party counsels of the countries mentioned would be of special importance. These questions concern NATO, EEC crises, the American capital intrusion into Europe, the concentration of economic power, the professional movement's uniform tendency, the income policy and the opposition thereto, etc. These are questions, naturally of interest also to the northern communist parties, but which, nevertheless, are of an entirely different character than those facing the parties of capitalist countries in their daily struggle.

The struggle of the working class will take place on an international level. The truth, already discovered by Marx and Engels, is at present perhaps of even more current interest than it was 100 years ago. It is obvious that the Finnish Communist Party neither can nor wishes to be different from the international communist movement and its meetings, even if it comprises only two capitalist countries of Europe or if it comprises the communist parties of the entire world.

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July 1966

DECLARATION of Principles, known as the Atlantic Charter,  
by the Prime Minister of the United Kingdom and the  
President of the United States of America. August 12,  
1941<sup>1</sup>

[Made public on August 14, 1941]

The President of the United States of America and the Prime Minister, Mr. Churchill, representing His Majesty's Government in the United Kingdom, being met together, deem it right to make known certain common principles in the national policies of their respective countries on which they base their hopes for a better future for the world.

First, their countries seek no aggrandizement, territorial or other;

Second, they desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned;

Third, they respect the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them;

Fourth, they will endeavour, with due respect for their existing obligations, to further the enjoyment by all States, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity;

Fifth, they desire to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labour standards, economic advancement, and social security;

Sixth, after the final destruction of the Nazi tyranny, they hope to see established a peace which will afford to all nations the means of dwelling in safety within their own boundaries, and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want;

Seventh, such a peace should enable all men to traverse the high seas and oceans without hindrance;

Eighth, they believe that all of the nations of the world, for realistic as well as spiritual reasons, must come to the abandonment of the use of force. Since no future peace can be maintained if land, sea

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<sup>1</sup>Resolutions bearing upon the Atlantic Charter were adopted at the Inter-Allied meetings held in London on June 12 and September 24, 1941.

or air armaments continue to be employed by nations which threaten, or may threaten, aggression outside of their frontiers, they believe, pending the establishment of a wider and permanent system of general security, that the disarmament of such nations is essential. They will likewise aid and encourage all other practicable measures which will lighten for peace-loving peoples the crushing burden of armaments.

Newsweek, June 20, 1966

CHINA:

## The Raging Storm

Lustily beating on drums and cymbals, thousands of slogan-chanting Chinese poured through the tree-shaded avenues of Peking last week to celebrate a curious event: the downfall and public disgrace of their popular Mayor Peng Chen (NEWSWEEK, June 13). As chief of the capital's key party apparatus and once considered a possible heir to Mao Tse-tung, Peng was the highest-ranking victim of a purge since the Communists took over the mainland in 1949, and his ouster shattered the myth of a monolithic Chinese leadership.

Peng's sudden fall from power was the climax of a six-month-long campaign against "anti-party" intellectuals in Peking. Among the group's alleged sins of bourgeois decadence, it was charged that they "gossiped about raising cats and dogs, lauded landlords, collected antiques, played mah-jongg and [received] sweet inspiration from long-haired beauties." But what made the purge so hard to understand—and so fascinating to China-watchers—was that Peng and most of his colleagues were men of impeccable Maoist reputations. What, therefore, lay behind the purge? Nobody knew positively, but a number of tentative explanations have been advanced by Sinologists. Among them:

■ **The Succession Theory:** Despite a brief public appearance last month, 72-year-old Mao Tse-tung is believed to be seriously ill. Officially next in line is Chief of State Liu Shao-chi. But he, too, is aging, and this combination of circumstances has inevitably set off a scramble for power among the top Chinese leaders. Among a variety of versions of this theory, it is argued that Mayor Peng's ouster was engineered by

Party Secretary-General Teng Hsiao-ping, a hard-nosed dogmatist of consuming ambition, in cahoots with Defense Minister Lin Piao. As evidence, experts point out that Peng's replacement was Li Hsueh-feng, a party wheelhorse who is a right-hand man of Teng.

■ **Pragmatists vs. Purists:** Faced by severe setbacks overseas and uncertainty at home over the party's domestic course, China has recently been making a major reassessment of its policies. In this debate, men of otherwise unassailable party integrity—including the Peking intellectuals and some army professionals—have apparently argued that it was time for the country to temper its militant Maoism with a more pragmatic approach. This, of course, was interpreted by the ideological purists as a heresy worthy of excommunication.

Neither of the two main theories, of course, exhausts the possible explanations for the current Peking ructions. Nor, for that matter, are the theories mutually exclusive; it appears that those who are in the forefront of the power struggle are probably the same men who are leading the witch hunt against the pragmatists. If this is so, and, as some Sinologists suggest, Teng Hsiao-ping is a dominant figure in the tangle, the implications are dour for the U.S.—and even for Russia. He is the hardest of hard liners—anti-West, anti-Soviet and a fanatic disciple of militant Communism. Nothing, of course, is sure in such theorizing, but there is little doubt that the rooting out of opposition will continue. "An upsurge is occurring," ominously promises Peking Review. "Workers all armed with Mao Tse-tung's thought have been sweeping away a horde of monsters with the tremendous and impetuous force of a raging storm."



June 1966

### CHINESE COMMUNISTS STRUGGLE FOR POWER

Recent reports of a struggle for power among leading members of the Chinese Communist Party are apparently confirmed by the latest developments in Peking. Although the full significance of the official changes is still obscure, the broad pattern of events is clear. The campaign against so-called anti-Party elements, among China's leading intellectuals, was obviously designed to prepare the public for major changes since it has been gradually extended to include prominent Party officials. The actual power struggle has probably taken place over fundamental issues like the question of Mao's successor, the Chinese economic situation, and foreign policy failures in the past year, particularly in Africa and Indonesia.

So far, Peking's mayor, Peng Chen, has been ousted from his post of first secretary of the Peking municipal party committee although he was previously regarded as a contender for Chairmanship of the Party after Mao. Others deposed include the President of Peking University, Lu Ping, and several of his associates at the university; and the editorial staffs of three leading Peking newspapers.

In the circumstances, the fate of all these individuals was predictable. The President of the University and his colleagues, now accused by People's Daily of being "bourgeois royalists," were a few days prior to their dismissal publicly criticised for their revisionist tendencies by students and teachers at the University. Similarly the accused Peking newspapers had been criticised by the Kwangming Daily for publishing alleged anti-Party articles - some by Teng To, one of the intellectuals under attack. The three papers all published immediate confessions, but apparently their self-criticism has been to no avail.

It had also been widely predicted that Peng Chen would fall - in fact he had already been dismissed and the Party was only waiting for the most propitious time for a public announcement -- since the deputy mayor of Peking, Wu Han, had for some time been under searing attack for his literary work, and it was inevitable that his superior could not escape unscathed.

So far the purge of Party members has been confined to Peking officials, although Peng Chen must also be regarded as a national figure. The fact that something of a clean sweep has been made in the capital gives some indication of the seriousness of the situation. There can be little doubt that more dismissals are yet to be made public. On June 4 and 5 the People's Daily maintained its attacks against unnamed individuals who still retain

(Cont.)

the highest positions in the country. It wrote: "we shall smash anyone who tries to harm the Party.... No matter what his authority, no matter how high his post, the whole nation and the whole Party will rise to denounce him."

One of the unspecified individuals could be the Chief of Staff of the People's Liberation Army, Lo Jui-ching. The Yugoslav news agency Tanjug, which recently predicted Peng Chen's downfall, also forecast that Lo Jui-ching would be dismissed. There is also increasing speculation about the future of the Chairman of the CPR, Lui Shao-chi; the CCP Central Committee Secretary-General, Teng Hsiao-ping and of Premier Chou En-lai.

July 1966 STAT

Dissent in the Chinese Communist Party  
Chronology: 1921-1966

- 1921  
July the First Congress of the Chinese Communist Party (CCP) held secretly in Shanghai is interrupted by the police, finally held on Niehpu Lake. Result: according to one of very few available accounts of these peregrinating deliberations: "there was no harmony of views at the Congress".
- 1922  
November Under Soviet advisers the CCP make great inroads in industrial labor field; CCP Secretary General CH'EN Tu-hsiu visits Moscow. Result: dissent among budding CCP leadership on how close ties with Moscow to be; dissent over how socialism to be achieved in China; dissent as to whether Soviet-pushed alliance of CCP and Kuomintang (KMT) should be consummated.
- 1923 Alliance between KMT (nationalist political party formed by SUN Yat-sen in 1911; later taken over by CHIANG Kai-shek) and the CCP is formalized. The formula: "Communists will enter the KMT as individuals, but the CCP will continue to maintain its separate existence".
- 1923-  
1927 KMT - CCP "Collaboration"  
CH'EN Tu-hsiu and followers claim credit for newly drawn up KMT political program:  
SUN Yat-sen and Soviet adviser Borodin indignantly deny CH'EN and company had even heard of the KMT political program, let alone drawn it up.  
CH'EN carries on running battle with Soviet adviser Borodin. Right-wing KMT attacks CCP element in Alliance for acting independently.  
CHIANG Kai-shek of the KMT and the CCP attack each other; Trotsky attacks the whole alliance.
- 1927  
March A young peasant from Hunan named MAO Tse-tung joins the CCP; he ignores Lenin's concept of the industrial proletariat although he claims to be a Marxist-Leninist. MAO concentrates on the peasant as the motive force for a revolution; he also mobilizes forces to discredit Secretary CH'EN's leadership.
- 1927  
May During the Comintern Plenum, Moscow, Stalin defends his line on China (approval of KMT-CCP alliance) against Trotsky's persistent attacks.
- 1927  
July KMT-CCP Alliance breaks up; KMT orders the arrest of MAO and other communists.

- 1927  
August After almost six years of skirmishing, the CCP leaders out-manuever their Secretary General and condemn his policies as "opportunistic". CH'EN is replaced by CH'U Ch'iu-pai who has been unswervingly loyal to Stalin. CH'U is supported by LI Li-san, CHANG Kuo-t'ao and CHOU En-lai. MAO Tse-tung is sent to Hunan to foment peasant disturbances. He later claimed the new leadership did not support him fully.
- 1927  
Aug.-Nov. The MAO-led Autumn Harvest uprisings never catch fire and MAO is dismissed from the Politburo still dissenting.
- 1927  
December The Canton Commune (a CCP-inspired 4-day insurrection in Canton) fails and Secretary General CH'U - who had replaced CH'EN a few short months before - is unseated by LI Li-san and CHOU En-lai, his erstwhile supporters. Stalin and the Comintern are forced to stop speaking of "the revolutionary upsurge" in China and another shift in the CCP line is called for.
- 1928  
Jan.-  
1932  
Feb. a) From this period until the newly-created Chinese Soviet Republic declares war on Japan and calls on all groups and classes in China to resist Japanese aggression, China is the battleground for constant warfare between the forces of the KMT (under CHIANG Kai-shek) and the CCP. Endless in-fighting continues among the CCP military men whose leaders include MAO, LIN Piao, CHU Te, P'ENG Te-huai, T'ENG Hsiao-p'ing, HO Lung, TUNG Chen-t'ang, LO Ping-hui.
- b) Political battlelines drawn during this time between LI Li-san of the CCP Politburo, and MAO with LI advocating "pure guerrilla warfare" (small roving bands aiming at nationwide insurrection which would be signalled by the urban proletariat) and MAO pushing (in 1929 and 1930) the formation and development of the CCP's military forces in order to establish revolutionary bases -- the classical Chinese peasant war.
- c) December 1930 sees the end of the Fut'ien incident in which an anti-MAO faction in South Kiangsi is arrested and results in a brief rebellion led by LI Po-fang in which 100 MAO followers are killed. The rebellion is soon quelled and its leaders liquidated.
- d) In January 1931 the CCP Central Committee formally abandons the LI Li-san line which has already been condemned by the Comintern (November 1930) whereupon LI Li-san resigns from the Politburo. LI Li-san is judged guilty on the one hand of "opportunistic passivity" and on the other of "adventurism". CHOU En-lai, who has been the object of scorn among LI Li-san's followers, comes up with a high post on the new Central Committee (January 1931 Plenum which had condemned LI Li-san) and CH'U Ch'iu-pai is sent to the hinterland.

e) A group headed by HO Meng-hsiung and LO Chang-lung refuse to accept the decisions of the Plenum, create a great uproar and are expelled from the CCP - for the moment the opposition has been eliminated within the party.

f) Those whose line is now to become the temporary guiding light are WANG Ming and CH'IN Pang-hsien who are to begin their power struggle with MAO in eight short months.

1932  
Jan/Feb-  
1934

While the invading Japanese armies occupy Manchuria and enter Shanghai, CHIANG Kai-shek tries to appease the Japanese and continues fighting the CCP. The CCP constantly wracked by battles among its political and military leaders with power see-sawing between MAO and various opponents of his military or political tactics (CHIN Pang-hsien, FANG Chih-min, CHANG Kuo-t'ao, CHOU En-lai and others) gradually loses men and territory and eventually is forced into flight.

1934  
Oct-  
1938

The famous Long March, led by MAO, is an epic of human endurance lasting 370 days, and covering 6,000 miles and under running battle with KMT forces who are also fighting the Japanese invaders. The Long March period is characterized by more in-fighting which eventually results in a reorganization of the CCP army.

1938-  
1945

a) CHANG Kuo-t'ai, MAO's chief political and military opponent during the Long March period, is severely criticized and with his defection to the KMT shortly thereafter, opposition to MAO temporarily collapses and the CCP has a measure of unity never before achieved.

b) During the period in Yen-an, the CCP Army licks its wounds, re-groups, spreads out gradually making friends of the peasantry and fighting the KMT and the Japanese who are fighting one another. Japanese commanders do not take the CCP forces seriously until 1940 and then as the Allied forces gradually gain the upper hand in the Pacific the Japanese are forced to relax pressure against the CCP.

1945-  
1949

a) MAO had strengthened the PLA (the Peoples' Liberation Army) after the defeat leading to the Long March and the long war against the Japanese; CHIANG, on the other hand, had early borne the brunt of the Japanese attacks and had then failed to combat the corruption eating its way into KMT forces. The KMT armies suffer from lack of medical attention, proper training and the rapport with the Chinese people which MAO is building up so carefully. China is also in the grip of inflation, which does more harm to the KMT than to the CCP.

b) After eight years of fighting in China, the surrender of Japan in 1945 touches off once more the civil war between KMT

and CCP forces -- this time to end in victory for the communists who, by the end of 1949, have driven CHIANG's forces from the mainland to Formosa (Taiwan).

c) MAO proclaims the founding the People's Republic of China in October 1949.

1949-  
1954

a) Now stands MAO -- hero of the Long March; victor against the armies of CHIANG Kai-shek; capable of formulating strategy free of Comintern (under Stalin) directives when they do not square with the reality he knows, and a leader fully committed to keeping his followers in line.

b) MAO had begun in the early 40's to mold the CCP using indoctrination procedures which welded the party members to CCP regulations and the "cause" with remarkable solidity. He was aided greatly in this molding by his chief lieutenant, LIU Shao-ch'i. Maoist cleansing of the party ranks -- called "rectification" -- has proceeded to the point where defectors from the CCP are few. He has shown no real tolerance for active dissenters from his policies, and since 1954 their numbers have been few.

c) However, during the period between 1949 and 1954, MAO kills 800,000 regime opponents (as given in his February 1957 speech on contradictions -- the figure is probably too low). The killings were done on the grounds that these dissenters are "enemies of the people".

1955

KAO Kang and JAO Shu-shih, who dissented from MAO's policies, were tried in secret proceedings conducted by LIU Shao-ch'i and TENG Hsiao-p'ing. Following Stalin's tactics, MAO and his prosecuting lieutenants "proved a long history of dissent and conspiracy on part of the accused. KAO, JAO and the seven men who fell with them (similar to the anti-party group purge in the USSR in 1957) have never re-appeared. KAO, the CCP says, "committed suicide".

1956  
December

In a Peking Jen-min Jih-pao (Peoples' Daily - CCP newspaper) article covering Politburo discussions came a second attack on "the fiction of no tension between leaders and led". Dis-agreement sufficiently serious to be the subject of Politburo discussions are difficult to disguise.

1957  
Feb.-  
1958

a) In his February 1957 speech MAO opens the door for non-communist criticism of the CCP in an attempt to win over dissenting Chinese intellectuals. This is the famed "hundred flowers and hundred schools of thought" line which was launched for MAO by CHOU En-lai in 1956.

b) Dissenters within the party openly criticize this line as "harmful to the cause of socialism"; the CPSU is violent in its criticism as well and there are even indications that some of MAO's own in the CCP leadership, including LIU Shao-ch'i are included among the dissatisfied.

c) MAO never admits that the CCP dissidents to this line are correct in dire predictions of damage to party unity. He simply halts criticism in practice, supports it theoretically only and in the "hundred flowers" revival in 1961 permits "debate" only on academic subjects. He learns too late to hide the fact, that the CCP's facade of unity hides dissenters.

1958-  
1960

The Great Leap Forward conceived by MAO is a failure by the fall of 1958. The commune distribution system was based on the fallacy that psychological and spiritual incentives could be substituted for material incentives as the principal stimulus for production. This fallacy was a target for criticism outside the CCP and China as well as inside the CCP. Some of the dissenters in the CCP were even Politburo members including PENG Te-huai and CH'en Yun. The latter had been eased out of any real role in the CCP by September 1959, if not before. PENG's fate (following) was more dramatic.

1959

a) Marshal PENG Te-huai, China's Defense Minister in 1959, was the leader of an "anti-party" group in the Politburo who had written a letter to Moscow criticizing the Great Leap Forward. His second sin was to resist CCP control of the Army and the establishment of an "enormous untrained militia". His third was to protest the growing breach with Moscow, chief supplier of Chinese modern weaponry.

b) PENG was arrested, underwent intensive re-indoctrination and finally wrote a "confession" divulging his wrong doings to the CCP. He was replaced as Minister of Defense by LIN Piao and most of his followers (including Army Chief of Staff General HUANG K'o-ch'eng) were removed from their party/government positions.

1961

The growing Sino-Soviet rift becomes open knowledge in 1961 with the withdrawal of Soviet technicians from China. There is dissension within the CCP over China's stand against Khrushchev's policies even in the Politburo. (This dissent was part of Defense Minister PENG's crime.) The most notable of the other dissenters is Politburo alternate member CHANG Wen-t'ien: his disappearance from the CCP scene since that time can apparently be explained also because of his opposition to the anti-Soviet views of MAO and his more tractable lieutenants.

- 1962  
Early The CCP initiates a long-term campaign to combat the deterioration of party morale. Demoralization in the ranks of the CCP is a result of the four years of privation connected with the Great Leap Forward. Implicit in this campaign itself is criticism of Chairman MAO since he formulated the policies of the period.
- 1962  
Aug-Sept a) CH'EN Yi, Foreign Minister of the CPR, in a series of speeches during this period places great stress on "subversion" in China.
- b) During the same period two Secretariat members are dropped: General HUANG K'o ch'eng, former PLA Chief of Staff under the already purged (1959) Marshal PENG Te-huai and General T'AN Cheng, whose department in the Secretariat is believed to have failed to curb Army criticism of the CCP.
- 1964  
Dec- At the Third National Peoples Congress held in Peking, Premier  
1965 CHOU En-lai's speeches on internal matters clearly indicate  
Jan continued CCP concern over popular apathy and disillusionment with party programs. (In part this is a hangover from the Great Leap Forward period and CHOU attacks signs of capitalism being evidenced in private plots, etc.)
- 1965  
Spring a) The United Front Work Department chief, LI Wei-han is summarily dismissed. The Department he had headed was the party organization responsible for working with intellectuals.
- b) The Minister of Culture, SHEN Yen-p'ing and several vice ministers are dismissed. It is believed by China observers that they had failed to bring the intellectuals into line. SHEN's past work is said to have "weakened the class struggle".
- 1965  
November LO Jui-ching, Chief of Staff of the Peoples' Liberation Army, disappears from the scene and has not been seen to this date (late June 1966).
- 1965  
November Shanghai newspapers launch an attack on WU Han, non communist Vice Mayor of Peking. WU Han's superior in Peking was PENG Chen.
- 1966  
Mid-April Fall of PENG Chen
- a) The Liberation Army Journal publishes strong attacks against TENG To, LIAO Mo-sha and WU Han, all writers, intellectuals and all members of the Peking CCP branch, and, therefore, all connected with PENG Chen as his subordinates since he is not only Mayor of Peking but First Secretary of the Peking Municipal CCP Committee.
- 5 May b) Peoples Daily reports that the Vice Chairman of the National Peoples Congress (NPC) KUO Mo-jo in making a speech to the NPC on 14 April, has indulged in severe self-criticism. (This has



been assessed since as not particularly damaging to KUO, but a deliberate staging of an example in humility for other writers and artists by a leading literary light in China and a friend and collaborator of MAO).

- 8 May c) Several Chinese papers level broadsides at TENG T'o; by the next day the attacks against him (he was Secretary of the Peking Municipal CCP Committee under PENG) have become nation wide.
- 3 June d) Radio Peking announces that LU Ping, the President of Peking University and the Secretary of the Peking University Committee of the CCP has been relieved of all his functions and duties.
- 3 June e) New China News Agency reports that a reorganized Peking Party Committee has established a team to carry out the "cultural revolution" at Peking University. The NCNA also announces additional removals in the university staff and reports "spontaneous" student demonstrations.
- 3 June f) The Central Committee of the CCP announces the appointment of LI Hsueh-feng as First Secretary of the Peking Municipal CCP Committee. He replaces PENG Chen. (LI is a strong supporter of a longtime PENG rival, TENG Hsiao-ping and subordinate of Defense Minister LIN Piao)
- 6 June g) NCNA announces that the reorganized Peking Municipal Party Committee has revamped the editorial board of the Peking Daily and the Peking Evening News. FAN Chu, PENG follower and the editor of these papers, is dismissed.
- Mid and late June By mid-June mainland regional broadcasts monitored in Hong Kong are reporting a series of denunciations of high intellectuals as anti-party elements in several provincial centers. Those involved in the provincial "rectification" campaigns have been mostly writers and/or journalists charged with misdeeds similar to those of TENG T'o's group. Those involved in the Peking purges have been "rightwing" intellectual elements in the Peking party structure, the city university and the government news agencies. Historians and playwrights from other areas are now being included as well as members of the lower echelons of the party in other areas. Peking editorials are beginning to suggest that other top-ranking heads (PENG was sixth in the succession line for MAO's party position) may roll in the military fields as well as the party and the government leadership. At this point 160,000 intellectuals have already been sent to work on farms and in mines, factories and the armed forces to undergo, as MAO has said, "a long and even painful tempering process".

Excerpts from 3 June 1966  
Ghana radio broadcast

July 1966

Speech by Lt. Gen. J.A. Ankrah  
[Leader of the National Liberation Council -- NLC]

Commemorating the 100-Day Anniversary of the  
Coups in Ghana

"In spite of acute shortages of most basic commodities, a high cost of living, and an alarming increase of unemployment, not to mention a serious balance of payments deficit and a precariously low level of foreign exchange, the NLC courageously decided to set a new course and to pilot the country into a haven of freedom, stability, and economic sanity. The NLC has now been in office for 100 days, during which it has tried to initiate emergency measures to stem the tide of the economic disaster threatening the country...

"When we took over the reins of government about three months ago, the country's reserve securities had dwindled to the precarious level of 96 million cedis, or 40 million pounds. And even this had been pledged against funds borrowed and which were then overdue. In practice, therefore, Ghana had virtually no reserves. The country was consequently threatened with a breakdown of the commercial system, a situation which was further aggravated by overdue short-term commitments. The most urgent emergency operation had to be mounted to arrest this dangerous deterioration of our foreign exchange position, to secure an appreciable inflow of foreign exchange, and to rearrange our medium- and long-term debt program.

"It was in light of this grave situation that the Council invited the International Monetary Fund (IMF) to resume its article 14 consultations... As a result of the work of the visiting IMF team, by discussions with our economic mission in Washington, a standby agreement was concluded to enable Ghana to draw 36.4 million cedis, or 13 million pounds, in various currencies within 12 months to help us in our immediate balance of payments difficulties. The IMF also arranged a meeting of our foreign creditors in London on 1 June to renegotiate or reschedule Ghana's foreign debt totaling 250 million pounds.

"... The success of this negotiation will give us a much-needed respite in our struggle to resuscitate the economy of the country. Indeed it is a source of great encouragement to us in this national crisis that we have been the beneficiaries of such international good will and assistance.

"The U.S. Government has agreed to supply us under the PL 480 program consignments of rice, maize, flour, vegetable oil, tobacco, and cotton worth about 7.2 million cedis or 2.5 million pounds. The Government of Canada has also decided to supply Ghana with 17,500 tons of flour, while the U.K. Government offered Ghana an export credit guarantee of 500,000 pounds. The Government of the Federal Republic of Germany has granted us a loan of 4 million pounds on generous terms for the immediate importation of commodities and for the extension of electricity networks.

"In addition to these Ghana has received gifts of milk, flour, drugs, and pharmaceuticals from government and private sources to alleviate the acute shortages of these essential commodities in the country....

"On 22 February, the former regime introduced a budget providing for an uncovered deficit of nearly 48 million cedis. To avoid creating a vacuum with consequent financial chaos we decided to operate this budget with some modifications and, by means of strict financial, and budgetary administration, to reduce the deficit.

"We have therefore adapted drastic measures to reduce government spending by examining all avenues for effective saving. The operation of state enterprises like the Ghana Airways, the Black Star Lines, and the State Fishing Corporation has been thoroughly examined and a decision has been taken to negotiate for the abrogation of certain purchasing commitments. Substantial savings will thus be made.

"It has also been decided to reduce the number of our foreign embassies by 40 percent, and this will bring savings of about 2.4 million cedis.

"One major source of drain on our resources is the establishment of a large number of state enterprises, nearly all of which are running at a loss. After a comprehensive review of these corporations, the NLC has decided to turn over nine of them to the private sector, while private participation will be invited for another six. For those to be retained in the public sector, technical assistance will be sought from the U.N. Center for Industrial Development to improve the quality of their management and productivity.

"Furthermore, we have been compelled by the seriousness of our balance of payments difficulties to abandon certain projects like the second phase of the Tema motorway, the third phase of the Tema harbor dredging, and certain aspects of the Tamale airport pending a thorough reappraisal of the whole project. ... the Council has decided to proceed with the international trade fair without, of course, its prestige trimmings, and this will save us about 2.4 million cedis.

"The problems of reorganizing the workers brigades is receiving serious attention. With better planning, these 25,000 brigadiers can be more usefully deployed into areas where they can help revive our economy. The construction of the aluminum smelter is going according to plan, and

Valco will start production early next year. This will insure the full utilization of electricity produced by the Volta River Authority. Provisional agreement has been given for the export of power to neighboring states, and the details of this operation will be negotiated in due course.

"Much as we would like to abandon other projects of doubtful value, our freedom of action is limited by penalty clauses and forfeitures embodied in the contracts signed by the deposed regime. Nevertheless, we are confident that these measures we have taken will help to reduce the estimated budget deficit of over 70 million cedis to a ceiling of 10 million cedis by the end of July this year. We are fully aware that the drastic measures which we are compelled to take will result in some unemployment and a considerable dislocation of labor. ... we are taking immediate steps to minimize the impact by the appointment of a commissioner for the reallocation of labor who will be assisted by a committee to tackle this difficult problem.

"Our present difficulties have underlined the inescapable fact that a contented and prosperous agricultural community is the cornerstone of the country's prosperity and economic stability. Unfortunately, the former regime did not approach our agricultural problems with seriousness and realism. Cumbersome machinery was set up, ostensibly to increase productivity and help the farmers, but the much-publicized activities and reckless expenditure of the United Ghana Farmers Cooperative Council, the State Farms Corporation, the Young Farmers League, and the builders brigades have never been justified by results. The country's food situation has worsened from year to year.

"The Council has therefore decided to increase the present rate of agricultural production by approving the issue of import licenses to the value of 1.25 million pounds for fertilizers, agricultural implements, livestock feed, and spare parts for vehicles and farm machinery. Every encouragement will be given to step up production of fish, poultry, and pigs. The agricultural committee will keep under constant and active review this most vital sector of the country's economy.

. . . . .

"... the Council hopes to produce a 1966-67 budget with a reduced deficit capable of being financed without any serious inflationary effect. We also hope that it will be possible in due course for the country to arrange such loans for development projects which will help solve our unemployment problem and improve the growth of the economy.

"I have given much time to the problem of economic development because that is admittedly the linch pin of our national recovery program....

"... It is only when we are able to demonstrate to the outside world our ability and determination to help ourselves that we can expect help from others.

"... One of the urgent tasks to which the NLC has addressed itself is the suspension, repeal, or amendment of those obnoxious laws -- Nkrumah's instruments of tyranny and oppression with which he reduced the people of Ghana to virtual slavery and abject misery. To accomplish this, the Council has set up a legal committee to review the laws of the land and eliminate those encroaching upon the fundamental freedom and welfare of the people.

"The repeal of the noxious preventive detention act and its sick bed-fellows, the criminal procedure amendment act of 1964, together with the abolition of the special criminal division of the high court, have been universally acclaimed. ... hundreds of unfortunate victims who had been languishing in prison have been released and are being rehabilitated....

"Steps have also been taken to restore the independence of the judiciary and guarantee the security of tenure of the members of the bench by amending the judicial service act and the reactivation of the Judicial Service Commission. Much remains to be done, but no effort will be spared to rid our country of those draconian laws which have caused so much misery and insecurity.

"Much of the progress that we hope to make in economic, social, and political development will largely depend upon efficient, streamlined administrative machinery. In the past, Nkrumah concentrated so much power in his own hands that ministers and civil servants were almost reduced to the status of robots slavishly carrying out his erratic, ill-conceived and ambitious policies.

"The NLC is determined to do away with the cumbrous bureaucratic machinery which merely swells public expenditure hardly justified by results. To this end, the administrative committee has reorganized the ministries and the regional and district administration. We have thus been able to reduce the number of ministries from 32 to 18, and administrative districts from 168 to 47.

. . . . .

"At independence, Ghana inherited from the British administration an efficient and well-organized civil service. Unfortunately, Nkrumah infiltrated the civil service with his party renegades, thereby weakening its effectiveness and sowing seeds of fear and insecurity among the civil servants. To crown these nefarious practices, he abolished the Civil Service Commission. The NLC has recreated the Civil Service Commission, thus insuring fair play and security for all civil servants. Furthermore, the NLF hopes to appoint in due course a commission of the public

services of Ghana with wide and flexible terms of reference which will carry out a complete review of the organization and structure of the public service.

"Coming to our external relations, I can say that within the last 100 days, the council has done much to restore the image of Ghana tarnished by the discredited regime through the erratic policies of Nkrumah. We have endeavored to keep to our declared policies of nonalignment, balanced neutrality, and noninterference in the internal affairs of other states....

"Within days of Nkrumah's overthrow, the NLC sent a delegation to the council of ministers conference at Addis Ababa, and in spite of the hostile attitude of a few members, our delegation fully participated in the proceedings. We have also sent good-will missions to a number of African states to cement relations between Ghana and those countries, and to explain the circumstances leading to the events of 24 February.

"... Our aim was and has always been to expose Nkrumah's duplicity for posing as the champion of African unity while sparing no effort to subvert those who disagreed with his ambitious policies.

"The NLC believes that the most convincing evidence of our sincerity in promoting the cause of African unity is living in peace with our neighbors. We have therefore taken steps to improve our relations with Togo, the Ivory Coast, and Upper Volta....

"We have continued to lend our full support at the United Nations to the quest for an African solution to the Rhodesia....

"The NLC has maintained Ghana's Commonwealth links, and ... we have participated in all Commonwealth consultations on African and world problems.... Our decision to resume diplomatic relations with the United Kingdom evoked some criticism, but I have no doubt whatsoever that it was a step in the right direction.

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"There is a task ahead of us, and ... it would be futile for us to get bogged down with acts of vengeance and recrimination. That was not the purpose of the revolution. We removed Nkrumah and his corrupt henchmen to restore the rule of law -- the basic human rights -- to the people of Ghana. We believe it is the birthright of every citizen of Ghana to enjoy a reasonable standard of living, free from fear, insecurity, and intimidation.... We should not be deflected from the goal we have set before us by wild allegations, mischievous rumors, and groundless suspicions.

"To eliminate unnecessary distractions which may hamper our effort to restore the economy of the country at this time, the NLC has imposed a

ban on all political activities so that we can concentrate fully on the solution of the most pressing national problems. We cannot at this stage afford to indulge in party political wrangles when we are confronted with the specter of economic bankruptcy. This does not however imply that the Council intends to remain in power indefinitely. At the opportune time, the country will revert to civilian rule, and the Council is taking appropriate steps to prepare the ground for that. In furtherance of this objective, the Council has appointed a political committee, and [soon] its terms of reference will be made public.

"Plans are also afoot for the setting up in the immediate future of a constitutional reform commission to pave the way toward an eventual return to civilian administration. Until the preparatory work involved has been satisfactorily completed, the Council will not tolerate any form of party political activities and will take drastic steps against persons trying to defy its decrees.

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"... We have made it abundantly clear that after a thorough investigation of all those suspected to have committed any crime or criminal offenses, they will be put to trial and dealt with according to law. On the other hand, it would be an indefensible act to penalize innocent people and deprive them of their means of livelihood. The Council's policy should not be taken for weakness. We have to admit that nearly all Ghanaians were victims of the duplicity of that archimpostor. On this basis, the Council will continue its policy of reviewing periodically the cases of all people in protective custody and releasing those not involved in any criminal activities.

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"... I need not remind you that we cannot clear the mess resulting from 15 years of mismanagement, chaos, and incompetence in a matter of weeks or months. However, with patience, determination, courage, and the unstinted cooperation of all, we will eventually ride out the storm."